Airport Economic Regulatory Authority Bill

724. SHRIMATI N.P. DURGA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that Government is in process of setting up of Airport Economic Regulatory Authority;

(b) if so, the details thereof;

(c) whether it is also a fact that a draft Bill is ready for introduction in Parliament on the above regulator; and

(d) if so, what are the salient features of the proposed Bill?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) to (d) Yes, Sir. An independent Regulatory Authority namely, Airport Economic Regulatory Authority (AERA) is proposed to be set up with the prime objective to create a level playing field and healthy competition amongst all major airports (Government-owned, PPP - based, private), encourage investment in airport facilities, regulation of tariffs of aeronautical services, protection of reasonable interest of users; etc. For this, AERA Bill, 2007 has since been introduced in Lok Sabha on 5th September, 2007. The Bill has been referred to the Department related Parliamentary Standing Committee on Transport, Tourism and Culture.

The proposed Authority shall be a body corporate, consisting of a Chairperson and two other Members to be appointed by the Central Government having adequate knowledge and professional experience in aviation economics, law, commerce or consumer affairs and shall hold office for a term of 5 years and shall not be eligible for re-appointment. The Authority shall perform function such as (i) to determine the tariff structure for the aeronautical services; (ii) to determine the amount of the development fees in respect of major airports; (iii) to determine the amount of the passengers fee levied under rule 88 of the Aircraft Rules, 1937 made under the Aircraft Act, 1934; (iv) to monitor the set performance standards relating to quality, continuity and reliability authorized by it in this behalf either through concession agreement or otherwise; (v) to call for such information as may be necessary to determine the tariff; (vi) to perform such other functions as may be entrusted to it by the Central Government or as may be necessary to carry out the provisions of this Act.

Requirement of aircrafts

†725. SHRI LALIT KISHORE CHATURVEDI Will the Minister of CIVIL AVIATION be pleased to state:

(a) the number of aircrafts likely to be required for passenger and freight transport for next ten years;

(b) the procedure for procurement of these aircrafts such as on lease, purchase etc. and in what manner the funds would be arranged for that; and

(c) the arrangements being made in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) The Induction of aircraft will commensurate with the growth of passenger/freight traffic in the coming years. Based on the existing growth rates, the additional aircraft capacity is likely to be more than doubled by the year 2015.

(b) and (c) Airlines procure the aircraft through outright purchase, hire-purchase or lease. There are several models of asset based financing facilities available and airlines choose appropriate models based on commercial considerations.

†Original notice of the question was received in Hindi.